



Montana E-File 2003 Test Packet

Montana Test 1

Based on Federal Test 2

Forms: Form 2

Return Status: Tax Due

Name and SSN: Maple, Test 0 400-00-6800

Address: 20 5th Avenue SE
Cut Bank, MT 59427

Filing Status: (1) Single

Residency: Full year resident

Exemptions: Total (1) - Regular

Deduction: Standard

Adj. Federal AGI: \$1,000 interest taxable to Montana on Line 21
\$500 Federal refund taxable to Montana on Line 22

Documents: W2's use "MT" for the state

Other: Add 1099-G Federal refund for \$500
Tax Benefit Rule - Worksheet II
Line 1 \$500
Line 4 \$3,000
Line 5 \$10,000
Line 9 \$4,000

Notes: Direct Debit of Tax Due
Acct. type: Savings
RTN #253174576
ACCT #06542153
Amount \$84.00
Date 4/15/2004

2003 Montana Individual Income Tax Return Form 2

03

or Fiscal year beginning , 2003 and ending , 2004.

Last Name Maple		First Name and Middle Initial Test 0		Social Security No. 400-00-6800	
Spouse's Last Name if Different		Spouse's First Name and Middle Initial		Spouse's Social Security No.	
Mailing Address 20 5th Ave. SE		City Cut Bank		State MT	Zip Code+4 59427
Filing Status Check One					
1. <input checked="" type="checkbox"/> Single					
2. <input type="checkbox"/> Married filing joint return					
3. <input type="checkbox"/> Married and both filing separate returns on this form					
4. <input type="checkbox"/> Married and both filing separate returns on separate forms					
5. <input type="checkbox"/> Married filing separate return and spouse is not filing					
6. <input type="checkbox"/> Head of Household (see instructions)					
Residency Check One					
1. <input checked="" type="checkbox"/> Resident Full Year					
2. <input type="checkbox"/> Nonresident Full Year					
3. <input type="checkbox"/> Resident Part Year					
Give date of change month year State moved to: State moved from:					
Exemptions					
Regular 65 or Over Blind					
1. Yourself <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Enter number checked 1 1.					
2. Spouse <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Enter number checked 2.					
3. Dependents					
Do not claim yourself or spouse					
Dependent's Full Name Dependent's Social Security Number Relationship					
3. Dependents 3.					
4. Handicapped Dependent 4.					
5. Add lines 1, 2, 3 and 4 (if additional dependents, see instructions) Total Exemptions 1 5.					

Enter amounts reported on federal return

6. Wages, salaries, tips, etc. Attach copies of W-2(s) from all states		6.	4,400	6.
7. Taxable interest income Attach Federal Schedule if over \$1,500		7.	6,500	7.
8. Dividend income Attach Federal Schedule if over \$1,500		8.	3,000	8.
9. Net business income (loss) Attach Federal Schedule C or C-EZ		9.		9.
10. Capital gain (or loss) Attach Federal Schedule D		10.		10.
11. Supplemental gains (or losses) Attach Federal Form 4797		11.		11.
12. Rents, royalties, partnerships, estates, trusts, etc. Attach Federal Schedule E and Form 8582 and all K-1's		12.		12.
13. Total IRA distributions a. 13b. Taxable amount Attach all 13b.		13b.		13b.
14. Total pensions and annuities a. 14b. Taxable amount 1099R's 14b.		14b.		14b.
15. Social security benefits a. 15b. Taxable amount 15b.		15b.		15b.
16. Net farm income (Loss) Attach Federal Schedule F		16.		16.
17. Other income: State refund alimony unemployment other (specify)		17.		17.
18. Total of lines 6 thru 17 Total ⇒		18.	13,900	18.
19. Adjustments to income. Educator expenses IRA deduction Student loan interest Tuition and fees 1/2 SE Tax Moving Expenses(Attach Form 3903) SE Health SE SEP, SIMPLE Penalty on early withdrawal of savings Alimony paid Other		19.		19.
20. Federal adjusted gross income (subtract line 19 from line 18) ⇒		20.	13,900	20.
Note: Line 20 must match your federal adjusted gross income				

21. Interest and dividends on state, county, or municipal bonds (Non-Montana)		21.	1,000	21.
22. Federal income tax refunds/overpayment (see page 3, line 22 on instructions)		22.	500	22.
23. Other additions, (see page 3, line 23 of instructions) Specify		23.		23.
24. Total additions to income (add lines 21 thru 23) Total ⇒		24.	1,500	24.
25. Add lines 20 and 24, enter result ⇒		25.	15,400	25.

26. Farm Risk Management Account Attach Form FRM		26.		26.
27. Interest exclusion for elderly		27.		27.
28. Interest exclusion for savings bonds, etc. Specify		28.		28.
29. Exempt pension & annuity income, (not soc. sec./disability) Attach Worksheet IV, Page 13		29.		29.
30. Unemployment		30.		30.
31. Medical Care Savings Account Attach Form MSA		31.		31.
32. Family Education Savings Account (Attach name and social security number(s) of beneficiary)		32.		32.
33. First Time Home Buyers Account Attach Form FTB		33.		33.
34. Health care professional loan payment exclusion		34.		34.
35. Other reductions (see page 5, line 35 of instructions). Specify		35.		35.
36. Total reductions to income (add lines 26 thru 35) Total ⇒		36.	0	36.
37. Subtract line 36 from line 25. Enter here and on line 38, page 2		37.	15,400	37.

MT test #1
Fed. test #2

INCOME REPORTED FROM FEDERAL RETURN

ADDITIONS

REDUCTIONS

ATTACH WITHHOLDING STATEMENTS HERE





Column A (for single
joint, separate, or head
of household)Column B (for spouse
only when filing
separate, and box 3 is
checked)DEDUCTIONS
EXEMPTIONS

38. Montana adjusted gross income (From line 37)	38.	15,400		38.
Deductions Check only one				
39. (A) Standard deduction: <input checked="" type="checkbox"/> (A) }	39.	3,080		39.
(B) Itemized deductions: <input type="checkbox"/> (B) }	40.	12,320		40.
40. Subtract line 39 from 38 and enter balance.....	⇒ 40.			
Exemptions (All filers are entitled to at least one exemption)				
41. Multiply \$1,780 times the number of exemptions on line 5	41.	1,780		41.
42. Taxable income. Subtract line 41 from line 40	⇒ 42.	10,540		42.

TAX COMPUTATION

STOP Nonresidents and Part-Year Residents complete and attach Schedules III and IV Form 2A, before proceeding

43. Tax from table below. Non/part year residents enter the amount from line 131, Form 2A, Schedule IV. If line 42 is less than zero, enter zero here.	43.	372		43.
44. Tax on lump sum distributions (see instructions for this line). Attach Federal Form 4972	44.			44.
45. Subtotal—Add lines 43 and 44.....	⇒ 45.	372		45.
46. Credits from Form 2A, line 113, Schedule II	46.			46.
47. Balance—Subtract line 46 from 45 and enter difference (but not less than zero).	⇒ 47.	372		47.
48. Recapture investment credit	48.			48.
49. Recapture tax and withdrawal penalties (specify)	49.			49.
50. For each of the programs below enter any amount you and your spouse want to contribute. Enter totals in boxes (see instructions for details).	50.			50.
54. Total Tax —Add lines 47, 48, 49 and 50.....	⇒ 54.	372		54.
55. Combine amounts shown on line 54 columns A and B.....	⇒ 55.		372	55.

 Nongame Wildlife Program
 MONTANA CHILDREN'S TRUST FUND
 Child Abuse Prevention
 Agriculture in Schools

Enter total amount in boxes.....

PAYMENTS
AND CREDITS

56. Montana tax withheld.....	56.	288		56.
57. Payments of 2003 estimated tax and amounts credited from previous year	57.			57.
58. Payment made with extension	58.			58.
59. Elderly Homeowner/ Renter Credit	59.			59.
60. Total of lines 56 thru 59.....	60.	288		60.
61. Combine amounts shown on line 60 columns A and B	⇒ 61.		288	61.

REFUND
OR AMOUNT
YOU OWE

62. If line 61 is larger than line 55 enter the difference. This is your overpayment.....	62.			62.
63. Amount on line 62 to be applied to 2004 estimate <input type="checkbox"/> 63.				
64. Enter the amount from line 62 you want refunded to you (refunds more than \$1.00 will be issued)	64.			64.
Refund Returns: Mail to Dept. of Revenue, PO Box 6577, Helena, MT 59604-6577 If you wish to use direct deposit enter your RTN# and ACCT# below. See instructions on page 6.				
RTN#	ACCT#	Checking <input type="checkbox"/>	Savings <input type="checkbox"/>	
65. If line 55 is larger than line 61 enter tax due (If you owe see instructions for this line)	65.	84		65.
Send your check or money order with payment coupon to: Dept. of Revenue, PO Box 6308, Helena, MT 59604-6308. If you choose to pay your tax due by credit card visit our website at www.discoveringmontana.com/revenue and enter your confirmation number here. See instructions on page 6.				
• Check this box if at least 2/3 of your gross income is from farming. (attach breakdown of computations)	<input type="checkbox"/>	Underpayment penalty See Worksheet VII, Schedule W...	66.	66.
• Check here if estimated payments were made using the annualization method. (Attach Montana Form EST-P)	<input type="checkbox"/>	Late filing penalty—See page 2.....	67.	67.
• Check here if you do not need state income tax forms and instructions mailed to you next year. Tax forms are also available on the internet.	<input type="checkbox"/>	Late payment penalty—See page 2.	68.	68.
		Interest 1% (.01) per month.....	69.	69.
		Total of lines 65 through 69.....	70.	70.
<input type="checkbox"/> Extension - Check this box and attach copies of federal extension(s) to receive a valid Montana extension. See Page 2 of instructions for details.				

PLEASE
SIGN HERE

Name, address and telephone number of preparer

May the DOR discuss this return with the preparer shown above? yes ☒ no ☐

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. ☎

Your signature is required X Date _____ Daytime telephone number 201-555-1111 Spouse signature X Date _____

I declare under penalty of false swearing that the information in this return and attachments is true, correct and complete.

If you electronically file, keep this form for your records (do not send to the Department of Revenue).

Tax Table

If Taxable Income is:

Over	But not over	Multiply by	and Subtract = Tax
\$ 0	\$ 2,200	X ... 2 %	\$ 0
\$ 2,200	\$ 4,400	X ... 3 %	\$ 22
\$ 4,400	\$ 8,900	X ... 4 %	\$ 66
\$ 8,900	\$13,300	X ... 5 %	\$155
\$13,300	\$17,800	X ... 6 %	\$288

If Taxable Income is:

Over	But not over	Multiply by	and Subtract = Tax
\$17,800	\$22,200	X ... 7 %	\$ 466
\$22,200	\$31,100	X ... 8 %	\$ 688
\$31,100	\$44,500	X ... 9 %	\$ 999
\$44,500	\$77,800	X ... 10 %	\$1,444
\$77,800		X ... 11 %	\$2,222

Example = taxable income \$2,400 x 3% (.03) = \$72 subtract \$22 = \$50 tax

2003 Individual Income Tax Worksheets

Worksheet I - IRA Deduction

If you file jointly on your federal tax return and separately (filing status 3, 4 or 5) on your Montana return, your deductible IRA for Montana purposes may be less than the amount allowed on your federal return.

If during the tax year, neither spouse was covered by a retirement plan where they worked, Montana and federal IRA deductions will be the same (maximum \$3,000 per spouse, or \$3,500 if 50 years old or older). If part of your IRA deduction is attributable to the IRA of a nonworking spouse, that amount must be added back on line 23 in the column of the nonworking spouse.

If during the tax year, one or both spouses were covered by a retirement plan where they worked, complete both columns of the worksheet below to determine if there is a difference between allowable federal and Montana IRA deductions.



IRA Worksheet

	Column A	Column B
1. Phase out amount	1. \$10,000	\$10,000
2. Enter your federal adjusted gross income before federal IRA contributions.	2. _____	_____
3. Subtract line 2 from line 1	3. _____	_____
4. Maximum allowable IRA deduction. Multiply line 3 by 30% (.30) or by (35% (.35) in the column for the IRA of the individual who is age 50 or older at the end of 2003). If the result is \$200 or more, enter the result. If it is less than \$200 enter \$200.	4. _____	_____
5. Enter IRA amount from line 19, Form 2	5. _____	_____
6. Enter lesser of line 4 or line 5	6. _____	_____
7. Subtract line 6 from line 5 and enter this amount on line 23, Form 2. This is the nondeductible portion of your IRA for Montana purposes.	7. _____	_____

If you are married, filing separate returns and lived apart from your spouse the entire year, you will be treated as single individuals.

Worksheet II - Tax Benefit Rule (Taxable Refunds and Reimbursements)

	Column A	Column B
1. Total of all federal income tax refunds received. Do not include refundable federal credits or more than the amount deducted for the prior year.....	1. 500	_____
2. All refunds and reimbursements of previously deducted itemized deductions..... Example: In 2002 you deducted medical expenses not covered by insurance. In 2003 your insurance company determines that a portion of the denied expenses should have been paid by them. They send you a check. This amount may be taxable because you claimed it as an expense paid by you in the prior tax year.	2. _____	_____
3. Add lines 1 and 2 above.....	3. 500	_____
4. Montana itemized deductions for prior year. If you took the standard deduction, stop here. None of the refund is taxable.....	4. 3,000	_____
5. Enter prior year's Montana adjusted gross income.....	5. 10,000	_____
6. If you are filing single or married filing separately, multiply line 5 by 20% (.20) If this amount is less than \$1,450, enter \$1,450. If more than \$3,260, enter \$3,260. or If you are filing a joint return or filing as head of household, multiply line 5 by 20% (.20). If this amount is less than \$2,900, enter \$2,900. If more than \$6,520, enter \$6,520.....	6. 2,000	_____
7. Subtract line 6 from line 4. If the result is zero, stop here. The amount on line 3 is not taxable.....	7. 1,000	_____
8. Enter the smaller of line 3 or line 7.....	8. 500	_____
9. Montana taxable income from prior year.....	9. 4,000	_____
10. Enter the following amount on Form 2, line 22. If line 9 is zero or more, enter the amount from line 8. If less than zero, add lines 8 and 9 and enter the net amount (but not less than zero).....	10. 500	_____

Worksheet III - Qualifying Capital Gain Exclusion

Capital Gain Exclusion Worksheet - If you had an installment sale(s) of a capital asset(s) which you entered into before January 1, 1987 you may be able to take a capital gain exclusion of 40%. Compute your exclusion on the worksheet below.

If Federal Schedule D line 18 is negative, you are not allowed a capital gain exclusion.
Do not proceed any further.

	Column A	Column B
1. Add the amounts from Federal Schedule D lines 11 and 12 which pertain to installment sales entered into before January 1, 1987, and enter here.....	1. _____	_____
2. Add the amounts from Federal Schedule D lines 7b(f) and 16(f) and enter here.....	2. _____	_____
3. Divide line 1 by line 2.	3. _____ %	_____ %
4. Enter the amount from line 17(a) of Federal Schedule D, but not less than zero.....	4. _____	_____
5. Multiply the amount on line 4, times the % on line 3: _____ x _____ %	5. _____	_____
6. Multiply amount on line 5 times 40% (.40). This is your Montana capital gains exclusion. Enter on line 35 of Montana Form 2.....	6. X .40	X .40

Attach this form to your tax return. If you electronically file, keep this form for your records (do not send to the Department of Revenue).